



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 1
5 POST OFFICE SQUARE, SUITE 100
BOSTON, MASSACHUSETTS 02109-3912

**URGENT LEGAL MATTER
REQUIRES PROMPT RESPONSE**

CERTIFIED MAIL – RETURN RECEIPT REQUESTED
MAR 16 2017

Paul Scoff, Vice President and General Counsel
Sprague Resources, LP
185 International Drive
Portsmouth, NH 03801

Re: Notice of Violation; Quincy, Massachusetts

Dear Mr. Scoff:

The U.S. Environmental Protection Agency, Region 1 (“EPA”) is issuing Sprague Resources, LP (“Sprague”) the enclosed Notice of Violation (“NOV”) for violations of the Clean Air Act.

The NOV addresses EPA’s findings that Sprague has violated and is still in violation of requirements in the Massachusetts state implementation plan regarding stationary source construction and operation, including certain new source review provisions. The violations occurred at Sprague’s facility located in Quincy, Massachusetts.

You may confer with EPA about the enclosed NOV and its findings. To schedule a conference, please contact Elizabeth Kudrauskas of my staff at (617) 918-1564 or have your legal counsel contact Thomas Olivier of my staff at (617) 918-1737 within fourteen (14) days of your receipt of this letter and the enclosed NOV.

Sincerely,

Susan Studlien

Susan Studlien, Director
Office of Environmental Stewardship

Enclosure

cc: Susan Ruch, Mass DEP, NERO
Dixon Pike, Esq.

**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION I – NEW ENGLAND**

IN THE MATTER OF

Sprague Resources, LP
728 Southern Artery
Quincy, MA

Proceeding under Section
113 of the Clean Air Act

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NOTICE OF VIOLATION

STATUTORY AUTHORITY

1. The United States Environmental Protection Agency, Region I (“EPA”) issues this Notice of Violation (“NOV”) under the authority of Section 113(a) of the Clean Air Act (“CAA” or “the Act”), 42 U.S.C. § 7413(a), to Sprague Resources, LP (“Sprague”). The violations concern Sprague’s facility located at 728 Southern Artery in Quincy, Massachusetts (“the Quincy Facility”). This NOV identifies violations of plan approval and emission limitation requirements of the Massachusetts state implementation plan (“SIP”).

2. The Massachusetts SIP includes various federally-approved portions of the Air Pollution Control Regulations promulgated by the Massachusetts Department of Environmental Protection (“MassDEP”) at 310 CMR 7.02, including requirements for plan approval and emission limitations. These requirements are enforceable by EPA under Section 113 of the Act. Section 113(a)(1) of the Act, 42 U.S.C. § 7413(a)(1), requires that whenever EPA finds that any person has violated or is in violation of any requirement or prohibition of an applicable SIP, EPA shall notify the person of such finding.

FACTUAL BACKGROUND

3. At the Quincy Facility, Sprague stores and distributes #6 oil. These activities emit volatile organic compounds (“VOCs”).
4. Sprague purchased the Quincy Facility in 1995.
5. In 1995, Sprague converted Tank 11 to the storage of #6 oil by installing a heat exchanger and making piping improvements.
6. In 1998, Sprague installed an oil loading rack at the Quincy Facility to support the loading of #6 oil into trucks.
7. In 2010, Sprague reinsulated and made repairs to Tank 11.
8. On December 23, 2010 and March 29, 2012, EPA issued Clean Air Act Reporting Requirements under Section 114 of the Act to Sprague.
9. Sprague submitted timely responses to the Reporting Requirements.
10. On September 27, 2011, EPA issued a Clean Air Act Testing Order under Section 114 of the Act to Sprague.
11. In response to the Testing Order, Sprague submitted a Test Protocol that was conditionally approved by EPA on May 3, 2012.
12. Sprague completed VOC and HAP emissions testing for #6 oil at its Searsport, Maine facility on July 13, 2012, and submitted a test report on October 19, 2012. Sprague completed VOC and HAP emissions testing for asphalt at its Searsport facility on May 22, 2012, and submitted a final test report on July 31, 2013.
13. Based on the results of the #6 oil testing at the Searsport facility, Sprague’s Quincy Facility has potential VOC emissions from #6 oil operations of approximately 26 tons per

year.

LEGAL FINDINGS AND NOTICE OF VIOLATIONS

14. The Massachusetts SIP, at 310 CMR 7.02(2)(a), provides that no person shall construct, substantially reconstruct, or alter any regulated facility unless the plans for such facility have been submitted to MassDEP for approval.

15. The SIP at 310 CMR 7.02(2)(a)(6) requires the installation of best available control technology ("BACT") for any proposed construction or substantial reconstruction of a facility.

16. Through its repairs and maintenance of the facility from 1995 through 2010, Sprague constructed and substantially reconstructed its Quincy Facility without applying for a plan approval from the MassDEP.

17. To date, Sprague has not applied for and obtained a plan approval for #6 oil storage and distribution at the Quincy Facility, and has not installed and implemented BACT. Accordingly, Sprague has violated and continues to violate the SIP at 310 CMR 7.02.

ENFORCEMENT

18. EPA may take any or all of the following actions: 1) issue an order requiring compliance with the Act; 2) issue an administrative penalty order; or 3) bring a civil action in federal district court for an injunction and/or monetary penalties up to \$95,284 per day for each violation. *See* Sections 113(a), (b) and (d) of the Act, 42 U.S.C. §§ 7413(a), (b) and (d), and 40 C.F.R. Part 19 as amended by 82 Fed. Reg. 3633 (January 22, 2017) (Clean

Air Act judicial penalties raised from \$25,000 to \$95,284 per day effective January 15, 2017). Be advised that Section 113(e)(2) of the Act, 42 U.S.C. § 7413(e)(2), contains provisions that affect the burden of proof with respect to violations which continue or recur on or after the date of issuance of this NOV.

19. If Sprague has knowingly violated the requirements of the Act, Sprague and its responsible corporate officers may be subject to criminal penalties under Title 18 of the United States Code, imprisonment for not more than five years, or both. See Section 113(c) of the Act, 42 U.S.C. § 7413(c).

20. The issuance of this NOV does not preclude EPA from electing to pursue any other remedies or sanctions authorized by law that are available to address these violations.

OPPORTUNITY TO CONFER

21. If Sprague has any questions regarding this NOV, please contact environmental engineer Elizabeth Kudarauskas at (617) 918-1564 and Kudarauskas.Beth@epa.gov or have your legal counsel contact Thomas T. Olivier, Enforcement Counsel, at (617) 918-1737 and Olivier.Tom@epa.gov. Sprague may request an opportunity to confer with EPA by contacting Ms. Kudarauskas or Mr. Olivier.

EFFECTIVE DATE AND APPLICABILITY

22. This NOV is effective as of the date signed below and applies to Sprague and its officers, agents, servants, employees, successors, and assigns, and to all persons, firms, and corporations acting under, through, or for Sprague. This NOV is not subject to Office of

Management and Budget review under the Paperwork Reduction Act, 44 U.S.C.

Chapter 35.

Susan Studlien

Susan Studlien, Director
Office of Environmental Stewardship
U.S. Environmental Protection Agency
Region I – New England

03/15/2017

Date